



# Arizona Department of Administration, Procurement Compliance, Administration & Policy Office Publication

## PCAP Technical Bulletin No. 003 Revision No. 1 Delegation of Procurement Authority

### I. Statement:

This technical bulletin is issued to update and revise AzSPO policy #003 "Procurement Delegation Authority".

### II. Authority:

- A.R.S. § 41-2511 Authority of the Director;
- A.R.S. § 41-2512 Delegation of authority by the director;
- R2-7-201 State Procurement Administrator Duties and Qualifications; and
- R2-7-202 Delegation of Procurement Authority to State Governmental Units;

### III. Alternate document/publication resources:

- PCAP technical bulletin No. 12; "Procurement Practice Reviews"
- Arizona Procurement Code. Available for download at [www.pcap.az.gov](http://www.pcap.az.gov) and [www.azeps.az.gov](http://www.azeps.az.gov)

### IV. Definitions:

1. APC: The Arizona Procurement Code.
2. CPO: Chief Procurement Officer. The person within the State governmental unit, as identified by the State governmental unit head, who is acting under specific, written authority from the state procurement administrator in accordance with R2-7-202 or any person delegated that authority, in writing, under R2-7-203. The term does not include any other procurement officer or person within a state governmental unit who does not have this written delegation of authority.
3. Director: The Director of the Department of Administration.
4. EPS: "Enterprise Procurement Services" means state procurement office as defined in R2-7-101 (50)
5. State Governmental Unit: Any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State subject to the provisions of the Arizona Procurement Code.

6. Governor's Executive Order: An action by the Governor of Arizona that has the legal authority of a law, often dealing with regulations or the workings of agencies.
7. PCAP: The Procurement Compliance, Administration and Policy Office. The central Procurement authority for the State of Arizona.

#### **V. Overview:**

By A.R.S. §41-2511 (B) the Director of the Department of Administration is the central procurement officer for the State. The Director explicitly delegates this authority and the authority to further delegate procurement authority to the State Procurement Administrator.

Under the direction of the State Procurement Administrator, the Procurement Compliance, Administration and Policy office manages the procurement delegation program and delegates authority in the following categories:

- Unlimited, term type: No designated procurement dollar limit with limited term;
- Limited, Term type: Established "Not to Exceed" procurement dollar limit with limited term; and
- Supplemental one time only: Authorizing delegated authority limited to specific contracts.

#### **VI. The delegation document**

The delegation acknowledgement document, also known as a delegation agreement, defines a governmental unit's procurement authority and specifies any limits and restrictions to that authority. Specific delegations will be required of each State governmental unit subject to the provisions of the Arizona Procurement Code. The basic elements of the delegation are:

1. The activity or function authorized: Granting the authority to purchase goods and services, to prepare specifications and make certain procurement related determinations on behalf of the governmental unit.
2. Limits or restrictions to the authority: The setting of limits to the delegation, such as establishing a not to exceed procurement dollar limit and limiting certain purchasing related determinations or actions, such as the ability to make sole source determinations.
3. Whether the authority may be further delegated: Procurement delegations are issued to the Director of a governmental unit who may, if provided for in the delegation, further delegate purchasing authority to specified key personnel.
4. The duration of the delegation: Delegation terms are 3 years subject to modifications or termination at any time as directed by the State Procurement Administrator.

5. Exceptions to the delegation: Delegations will also list applicable exceptions, such as the ability to exceed an established procurement dollar limit when purchasing from existing State contracts.

**VII. Governmental Unit Responsibilities:**

The Governmental Unit Director and assigned Chief Procurement Officer (CPO) shall be responsible for ensuring compliance to the delegation acknowledgement document. The Director or CPO may then, if provided in the delegation, further delegate purchasing authority to specific personnel. In either case, authorized personnel shall be those delegated in writing to perform assigned procurement duties on behalf of the governmental unit.

**VIII. Oversight, Monitoring and Review of Assigned Delegations:**

The Procurement Compliance, Administration and Policy office (PCAP) provides central management and delegation of purchasing authority for State governmental units. To ensure that State governmental units exercise purchasing authority in accordance with their delegation agreement, the APC, applicable Executive Orders, technical bulletins and statewide procurement manual, PCAP has implemented the Procurement Practice Review Program. PCAP technical bulletin No. 012 "Procurement Practice Reviews" describes the review program in detail.

John O. Adler, CPO

  
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4-12-06  
Effective Date